



August Commission Meeting Minutes

Location of Meeting:

South Puget Sound Community College
4220 6th Avenue SE
Lacey, WA 98503.

Meeting Date:

August 11, 2016

Commissioners Present:

Julia Patterson, Vice-Chair
Chris Stearns
Ed Troyer
Kelsey Gray, PhD.

Ex Officios Present:

Senator Steve Conway
Representative Christopher Hurst

Staff Present:

David Trujillo, Director
Amy Hunter, Deputy Director
Tina Griffin, Assistant Director – Licensing Regulation and Enforcement
Brian Considine, Staff Attorney
Julie Lies, Tribal Liaison
John Meader, Assistant Attorney General
Julie Anderson, Executive Assistant

-Public Meeting-

Welcome

Vice-Chair Julia Patterson

Vice-Chair Patterson called the Washington State Gambling Commission (Commission) meeting to order at 11:00 AM at South Puget Sound Community College (SPSCC) and introduced the members present. (Chair Sizemore was not present at the meeting).

Vice-Chair Patterson announced the Commission meeting would immediately go into Executive Session to **Discuss Pending Investigations, Tribal Negotiations and Litigations** and adjourned at 11:05 AM.

The Commission meeting reconvened at 1:05 pm and Vice-Chair Patterson welcomed everyone back to the public portion of the meeting. Vice-Chair Patterson thanked SPSCC for allowing the Commission to have their meeting at their Lacey campus.

There were about 50 audience members.

Tab 1

Director's Report

Director David Trujillo gave a brief report out on our move and when that was planning to take place.

Special Agent Donna Khanhasa gave a brief explanation and some background on the State audit about permits; the Commission issues six permits. The State audit led to a law change for all agencies; this law requires information be reported annually about permits agencies issue.

Deputy Director Amy Hunter presented the materials on the Fee Restructure and Stakeholder Outreach. So far, she has met with representatives for about 25 licensees about the Fee Restructure. Chair Sizemore participated in the first meeting. Ms. Hunter said she asked Commissioner Troyer if he would be interested in doing a short video explaining the Fee Restructure for our website, which was a suggestion by a licensee, and he said he would.

Tab 2

Chief Financial Officer Mike Kashmar presented the FY 17 Budget Revision and 2017-19 Budget Request.

Commissioner Troyer moved to approve the FY 17 Budget Revision of and the 2017-19 Budget Request as presented by staff.

Commissioner Stearns seconded the motion.

The motion passed unanimously. 4-0

Tab 3

Special Agent Donna Khanhasa and **Agent-in-Charge Jennifer LaMont** presented the G2E Asia 2016 presentation.

Commissioner Stearns asked about the exchange rate and the betting limits in Macau. Commissioner Patterson asked about smoking and drinking in the casinos. Donna explained that the wagers were very high and the drinking was only tea and soft drinks. Senator Conway asked about betting limits as well.

Tab 4 and Tab 5

Group 12 Amusement Games

Requiring Notice to Players

- WAC 230-13-067 Group 12 Electronic Puzzle and Pattern Solving Game Standards.

Group 12 Amusement Games

Licensing

- WAC 230-03-185 Applying for a manufacturer license.
- WAC 230-03-190 Applying for a distributor license.
- WAC 230-06-110 Buying, selling, or transferring gambling equipment.
- WAC 230-06-112 Buying, selling, renting and leasing amusement games.

Jesse Stiltner asked if language was needed to WAC 230-13-067 because players can't get cash out of the games if they put more money in than what they want to play. Tina referred him to WAC 230-13-080(3), which requires operators to post for players that the games do not give change and where they can go to get change. Tab 4 and Tab 5 were passed together.

Commissioner Troyer moved to approve these rules, effective 31 days from filing. For WAC 230-13-067, the motion was for approval of Option 2A.

Commissioner Stearns seconded the motion.

The motion passed unanimously. 4-0

Tab 6

Petition from Theresa Malphrus

Poker Wagering:

- WAC 230-15-080 Authorized fees and authorized methods of collection.
- WAC 230-15-135 Wagering Limits for nonhouse-banked card games.

Ms. Malphrus asked to amend her petition for the betting limits for Class F card rooms from \$100.00 to \$300.00 to make it consistent with Mr. Teeny's petition.

Commissioner Gray moved to amend the motion as requested.

Commissioner Troyer seconded the motion.

The motion passed. The rules will be up for final action in October 2016.

Tab 7

Petition from George Teeny

Poker Wagering:

- WAC 230-15-135 Wagering Limits for nonhouse-banked card games.

Mr. Teeny requested the Commissioners take action on his petition today and not hold it over with Ms. Malphrus' petition, which proposes a change to the same rule. Commissioner Gray said she is sympathetic to Mr. Teeny's position.

Commissioner Gray moved to approve the rule, effective 31 days from filing.

Commissioner Troyer seconded the motion.

The motion passed unanimously 4-0.

Tab 8

Petition from Recreational Gaming Association

Promotions

- WAC 230-15-025 Hours of play.
- WAC 230-06-030 Restrictions and conditions for gambling promotions.
- WAC 230-06-031 Using wheels in promotional contests of chance, fund-raising events, or gambling activities – Promotional Contests of Chance (PCOC)

Mr. Victor Mena gave testimony to the Commissioners on promotions. Senator Conway asked if other states allow these kind of promotions. Commissioner Troyer had several questions about the rules and felt some type of limits should be added. He said he would work with staff on this.

Commissioner Stearns moved to adopt WAC 230-15-025 for hours of play, effective 31 days from filing. Commissioner Gray seconded the motion.

The motion passed unanimously. 4-0

Tab 9

Group 12 Amusement Games

Reporting, Recordkeeping and Non-transferability of Tokens

- WAC 230-13-075 Assigning and reporting group numbers of authorized amusement games.
- WAC 230-13-170 Recordkeeping for commercial amusement games.
- WAC 230-07-125 Recordkeeping requirements for lower volume charitable or nonprofit organizations.
- WAC 230-13-005 Amusement games authorized.

This rule was up for discussion only. There was no action at this meeting. The rule will be up for Final Action in October.

Tab 10 – New Licenses and Class III Employees

Assistant Director Tina Griffin presented the materials for the New Licenses.

Commissioner Stearns moved to approve the New Licenses on pages 1-15 as presented in the packet.

Commissioner Troyer seconded the motion.

The motion passed 4-0.

Class III gaming approval.

Assistant Director Tina Griffin presented the materials for the Class III Gaming list for the Snoqualmie Tribe.

Commissioner Gray moved to approve.

Commissioner Troyer seconded the motion.

The motion passed 3-0.

Commissioner Stearns abstained.

Tab 11 Default

Brian Considine presented the Default for Minh Nguyen, Card room employee licensee.

Commissioner Troyer moved to adopt the Revocation. Commissioner

Gray seconded the motion. The motion passed unanimously 4-0.

Tab 12 Minutes

Commissioner Gray moved to adopt the July Minutes as modified.

Commissioner Stearns seconded the motion with modification. The motion passed unanimously. 4-0

Public Comment:

Mr. Manning representing Specialty Coin Products stated he purchased 100 Group 12 Banilla Games and sold 80 and approximately 16-20 are still active. He expressed his concerns regarding the legal ramifications to this situation.

Mr. Tompkins representing Sound Amusement expressed his disappointment with the Commission “that these games were regulated out of existence and the agency was unwilling to work with us to come up with reasonable alternatives”. He stated he had 42 games in the field and now has zero.

Mr. Gerow representing ZDI Gaming gave two handouts to the Commissioners. He expressed his disappointment with the Commission as well. He wanted to address his concerns regarding the correspondence from and actions of the agency. He asked for the Commissioners to explain the seizure letter he received and the citations that were handed out to the licensee.

Vice Chair Patterson thanked the gentlemen for their public comment. And asked the audience if there was anything for the good of the order.

Meeting adjourned at 4:10 p.m.